



MEMORANDUM

To: Members of the House Energy and Technology Committee

From: Doug Roberts, Jr., Director of Environmental and Energy Policy

Subject: House Bill 5334 Renewable Energy/Landfill Gas

Date: November 3, 2009

The purpose of this memo is to inform you that the Michigan Chamber of Commerce **supports House Bill 5334** (Representative Mayes), a bill that would increase landfill gas production to help meet the state's Renewable Portfolio Standard.

House Bill 5334 would allow landfills designated as a 'Landfill Energy Production Facility' to be able to collect yard waste. This change in policy would increase organic matter going into these landfills, which would increase the renewable energy output from these landfills. The legislation is carefully crafted to increase energy production while preserving landfill space.

Chamber Legislative Priorities

The Michigan Chamber has developed a legislative priority for 2009-10 that calls for reducing regulatory barriers to help achieve the 10% Renewable Portfolio Standard. HB 5334 is consistent with the priorities approved by the Michigan Chamber Board of Directors.

10% Renewable Portfolio Standard

Public Act 295 of 2008 requires that Michigan has 10% renewable energy by 2015. The renewable energy standard requires that Michigan installs statewide over 3,000 MW of renewable energy. If we achieve this standard by 2015, Michigan will be among the top 5 states in country in terms of renewable energy capacity installed. This standard is aggressive and will make Michigan a national leader in renewable energy production.

In order to achieve a 10% standard by 2015, there are a number of regulatory barriers that need to be removed. These barriers include issues related to the siting and zoning of wind, issues related to the harvesting of wood, and barriers that discourage the production of landfill gas.

HB 5334 removes barriers associated with the production of landfill gas. Landfill gas is an important renewable energy source due to the both the reliable and affordable nature of the source. According to the 21st Century Energy Report, landfill gas has a capacity factor of 90%. Committee testimony from Lansing Board of Water and Light and Granger has indicated that, in practice, it is often higher than 90%. This is compared to wind, which has a capacity factor of 28%.

Conclusion:

The Michigan Chamber supports House Bill 5334. If Michigan is going to achieve a 10% Renewable Portfolio Standard the state must remove government barriers that are impeding the growth of renewable energy. HB 5334 accomplishes this goal. We urge your support of this bill. If you have any questions, please feel free to contact me at (517) 371-2100.

